

Exhibit 1

Paolo Pellegrini

New York, NY

March 15, 2011

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1 UNITED STATES DISTRICT COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 -----x

4 SECURITIES AND EXCHANGE COMMISSION,

5 Plaintiff,

6 vs.

7 FABRICE TOURRE,

8 Defendant.

9 10-CV-3229 (BSJ) (MHD)

10 -----x

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13

14 CONTINUED VIDEOTAPED DEPOSITION OF

15 PAOLO PELLEGRINI

16 Tuesday, March 15, 2011

17 New York, New York

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24 REPORTED BY:

25 Christina Diaz, RPR, CSR, CLR

1 P. Pellegrini

2 (Pellegrini Exhibit 103, Article from
3 Bloomberg.com entitled Greenspan Says Worst
4 of U.S. Housing Slowdown Is Over, two pages,
5 was marked for identification)

6 BY MS. ROGERS CHEPIGA:

7 Q. Mr. Paulson, would you take a moment to
8 read 103. I'm going to ask you questions about the
9 top three paragraphs -- top four paragraphs.

10 A. Yes.

11 Q. Mr. Pellegrini, according to Bloomberg,
12 Alan Greenspan, the long-term Federal Reserve
13 chairman said at a conference in Toronto on
14 February 14, 2007 that, "As to the housing
15 slowdown, 'I think the worst is behind us.'"

16 Was that contrary to your view on
17 February 14, 2007?

18 A. Yes, it was.

19 Q. And the Bloomberg article in front of
20 you also reports that Ben Bernanke, the
21 then-president of the Federal Reserve Bank, told
22 the Senate Banking Committee that the drag from
23 housing is diminishing.

24 Do you see that?

25 MR. REISNER: Objection.

1 P. Pellegrini

2 You may answer.

3 A. Yes.

4 BY MS. ROGERS CHEPIGA:

5 Q. And was that contrary to your view?

6 A. Well, it was not -- we didn't have a
7 particular view on the effect of housing on the
8 economy. So that's a little --

9 Q. Thank you.

10 According to Bloomberg, on January 31st,
11 the Fed, after a meeting of the Federal Open Market
12 Committee, made a public statement that the housing
13 market was showing some tentative signs of
14 stabilization.

15 Did you share that view --

16 MR. REISNER: Objection.

17 BY MS. ROGERS CHEPIGA:

18 Q. -- that the housing market was showing
19 signs of stabilization?

20 MR. REISNER: Objection. Foundation,
21 relevance.

22 A. No. We did not share that view.

23 BY MS. ROGERS CHEPIGA:

24 Q. Do you recall comments made on March 13,
25 2007 by the United States treasury secretary, Henry

1 P. Pellegrini

2 Paulson, about the housing market?

3 A. I do not.

4 Q. Is Henry Paulson, the former United
5 States treasury secretary, related to John Paulson?

6 A. Not to my knowledge.

7 MS. ROGERS CHEPIGA: May we mark as
8 Exhibit 104 this Reuters report.

9 (Pellegrini Exhibit 104, Article from
10 Reuters entitled Housing Woes Not Affecting
11 Economy: Paulson, two pages, was marked for
12 identification)

13 BY MS. ROGERS CHEPIGA:

14 Q. Do you have Exhibit 104 in front of you?

15 A. Yes.

16 Q. Is that a Reuters news release?

17 A. Yes.

18 Q. If you look at the third and fourth
19 paragraphs of that news release, do you see
20 quotations from US treasury secretary Henry
21 Paulson?

22 A. Yes.

23 Q. And is Mr. Paulson quoted as saying, "We
24 have had a significant housing correction in the
25 US. You can't have a correction like that without

1 P. Pellegrini

2 causing some dislocations. It's too early to tell
3 whether it's bottomed. I believe it has.

4 "The US treasury chief said, 'It
5 shouldn't be a surprise to anyone that there is
6 some fallout in the subprime mortgage market...but
7 it's largely contained.'"

8 Do you see that report of US treasury
9 secretary Paulson's remarks in the Reuters news
10 release?

11 MR. REISNER: Objection. Foundation
12 relevance.

13 A. I do.

14 BY MS. ROGERS CHEPIGA:

15 Q. Mr. Pellegrini, you testified earlier
16 that there was significant debate in the financial
17 community as to the future of housing prices?

18 MR. REISNER: Objection. Foundation.

19 BY MS. ROGERS CHEPIGA:

20 Q. Is that correct?

21 A. Well, I'm not sure. So essentially
22 there was a mainstream view that housing prices
23 were stable and never sort of declined in the
24 history of the United States. And then there were
25 other sort of less common views, including ours,

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1 C E R T I F I C A T E

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3 STATE OF NEW YORK)

4) ss.

5 COUNTY OF NEW YORK)

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7 I, Christina Diaz, a Certified and
8 Registered Professional Reporter and Notary Public
9 within and for the State of New York, do hereby
10 certify:

11 That PAOLO PELLEGRINI, the witness whose
12 deposition is hereinbefore set forth, was duly
13 sworn by me and that such deposition is a true
14 record of the testimony given by such witness.

15 I further certify that I am not related
16 to any of the parties to this action by blood or
17 marriage and that I am in no way interested in the
18 outcome of this matter.

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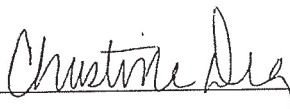
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CHRISTINA DIAZ, CSR, RPR